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December 22, 2006

OF COUNSEL
WILLIAM G. CONLY

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Formation, Reservoir A; and Cotton Valley
Formation, Reservoir A; HOLLY FIELD, DeSoto
Parish, Louisiana.

Dear Sir:

EL PASO E&P COMPANY, L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Formation, Reservoir A; and to the Cotton Valley Formation, Reservoir A; in the Holly Field, DeSoto Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize an additional alternate unit well for HOSS RA SU33 and for CV RA SUH at the location shown on the attached plats, in exception to the spacing provisions of Office of Conservation Order No. 88-D, effective February 1, 1975 (applicable to the Hosston Formation, Reservoir A), and of Office of Conservation Order No. 88-E, effective August 1, 1975 (applicable to the Cotton Valley Formation, Reservoir A).

2. To find that the proposed additional alternate unit well is necessary to efficiently and economically drain a portion of the Hosston Formation, Reservoir A, underlying HOSS RA SU33, and a portion of the Cotton Valley Formation, Reservoir A, underlying CV RA SUH, which cannot be efficiently and economically drained by any existing well on such units.

3. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana, is defined in Office of Conservation Order No. 88-D, effective February 1, 1975. The Cotton Valley Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana, is defined in Office of Conservation Order No. 88-E, effective August 1, 1975.

Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 North Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect any such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

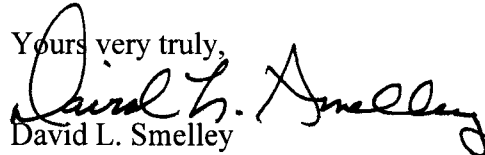
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

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Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of each of the attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and of the enclosed plats at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Holly Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley

-- Attorney for El Paso E&P Company, L.P.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Mason Lemmond (w/encls.)
Mr. Louis Gilbert (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plats only)

